

## Message Text

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PAGE 01 QUITO 05906 232301Z  
ACTION ARA-14

INFO OCT-01 ISO-00 AF-10 EA-10 EUR-12 NEA-10 CIAE-00  
DODE-00 PM-05 H-01 INR-10 L-03 NSAE-00 NSC-05  
PA-01 SP-02 SS-15 ICA-11 SOE-02 AID-05 CEA-01  
COME-00 EB-08 DOE-15 INT-05 OMB-01 OES-09 STR-07  
TRSE-00 ACDA-12 /175 W  
-----090545 240733Z /11

R 231555Z AUG 78  
FM AMEMBASSY QUITO  
TO SECSTATE WASHDC 9196  
INFO AMCONSUL GUAYAQUIL

LIMITED OFFICIAL USE QUITO 5906

E.O. 11652: N/A  
TAGS: ENRG, OPEC, EC  
SUBJECT: MINISTER SEMBLANTES CALLS FOR INTERNATIONAL PETROLEUM  
PRICE HIKE

1. ACCORDING TO PRESS REPORTS, NATURAL RESOURCES  
MINISTER GEN. JAIME EDUARDO SEMBLANTES ANNOUNCED ON AUGUST  
19, IN RESPONSE TO A REPORTER'S QUESTION, THAT THE GOE FAVORS  
AN INTERNATIONAL PETROLEUM PRICE HIKE OF NO MORE THAN 5  
PERCENT.

2. SEMBLANTES JUSTIFIED SUCH A HIKE DUE TO WHAT HE TERMED  
THE PRESENT MORE FAVORABLE BALANCE BETWEEN PETROLEUM DEMAND  
AND SUPPLY, IN CONTRAST WITH THE PETROLEUM OVER-SUPPLY OF  
A FEW MONTHS AGO. HE ALSO REFERRED TO THE LOW EXPORT  
PRICES THAT ECUADOR HAD TO ACCEPT A FEW MONTHS AGO IN ORDER  
TO SELL ITS CRUDE.

3. COMMENT: ALTHOUGH THE PRESS REPORTS DID NOT SPECIFY  
WHEN SEMBLANTES WOULD LIKE TO SEE SUCH A HIKE TAKE PLACE,  
PRESUMABLY HE MEANT THAT SUCH A HIKE WOULD START IN 1979.

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SEMBLANTES' MODERATE STATEMENT, COMING ON THE HEELS OF THE  
VISIT TO ECUADOR BY IRAQ'S OPEC GOVERNOR, IS THE FIRST PUBLIC  
POSITION HE HAS TAKEN THIS YEAR ON INTERNATIONAL  
PETROLEUM PRICES. AS THE LARGE MAJORITY OF ECUADOR'S  
TRADE IS DENOMINATED IN DOLLAR TERMS, THE RECENT DEPRE-  
CIATION OF THE DOLLAR HAS NOT AFFECTED ECUADOR AS  
SEVERELY AS OTHER MEMBERS OF OPEC. IN RECENT MONTHS,

ECUADOR HAS BEEN ABLE TO FULLY MARKET ITS MAXIMUM POTENTIAL PRODUCTION. ECUADOR, THE SMALLEST PRODUCER IN OPEC, REGOCNIZS ITS LIMITED POWER IN ANY OPEC PRICING DECISION, AND IT USUALLY FOLLOWS THE LEAD OF VENEZUELA. THE GOE, HOWEVER, WILL NOT HESITATE TO DIVERGE FROM VENEZUELA IF NECESSARY TO PROTECT ITS OWN INTERESTS. IF A GENERAL CONSENSUS BEGINS TO DEVELOP IN ANY OPEC DECISION, ECUADOR CAN BE EXPECTED TO QUICKLY FOLLOW SUIT.  
GONZALEZ

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PETROLEUM, POLICIES, PRICES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 23 aug 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978QUITO05906  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D780346-0432  
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**Message ID:** c8c4305d-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION ARA  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
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**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 05 may 2005  
**Review Event:**  
**Review Exemptions:** n/a  
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**Review Release Date:** N/A  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 1647673  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** MINISTER SEMBLANTES CALLS FOR INTERNATIONAL PETROLEUM PRICE HIKE  
**TAGS:** ENRG, EC, OPEC  
**To:** STATE  
**Type:** TE  
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**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
US Department of State  
EO Systematic Review  
20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014